



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 03-24, Missouri State Income Tax Withholding

Date: August 21, 2003

To: Holders of TAXES (State of Missouri only)
Personnel User Groups
T&A Contact Points in Missouri

Beginning with wages paid for Pay Period 17, the state of Missouri will make the following changes to state income tax withholdings:

- The standard deduction amount for Single will increase from \$4,700 to \$4,750.
- The standard deduction amount for Married (One Spouse Working) will increase from \$7,850 to \$7,950.
- The standard deduction amount for Married (Both Spouses Working) will increase from \$3,925 to \$3,975.
- The standard deduction amount for Head of Household will increase from \$6,900 to \$7,000.
- The maximum Federal income tax deduction for Married (Both Spouses Working) will decrease from \$10,000 to \$5,000.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the National Finance Center (NFC) home page (www.nfc.usda.gov) and click **Pubs & Forms**. Then at the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes on the tax formula are identified by “▶◀”.

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. For questions about system access and other system-related issues, contact Customer Support at **504-255-5230** or via e-mail at customer.support@usda.gov. For questions about this bulletin, call **504-255-5322** or send an e-mail to nfc.pvct@usda.gov.

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Filing Instructions: File with the Payroll/Personnel Manual.

Expiration Date: When superseded

Missouri State Income Tax Information

State Abbreviation:	MO
State Tax Withholding State Code:	29
Basis For Withholding:	State Exemptions and the amount of Federal Income Tax withheld each pay period.
Acceptable Exemption Form:	MO W-4
Acceptable Exemption Data:	S, M, N, H/Total Allowances Claimed
TSP Deferred:	Yes
Special Coding:	Determine the Total Number of Allowances field as follows: First position - S = Single; M = Married, One Spouse Working; N = Married, Both Spouses Working; H = Head of Household Second and Third Positions - Enter the total number of allowances claimed. If less than 10, precede with a zero.
Additional Information:	None

Withholding Formula ►(Effective Pay Period 17, 2003)◄

1. Subtract the biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract nontaxable Federal Health Benefits Plan payments from the adjusted gross biweekly wages.
3. Add taxable fringe benefits (taxable life insurance, etc.) to the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Determine the standard deduction by applying the following guideline and subtract this amount from the annual wages.

If the Employee Is:

Single
Married (One Spouse Working)
Married (Both Spouses Working)
Head of Household

The Standard Deduction Is:

\$ ► 4,750
7,950
3,975
7,000 ◄

6. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 5:

If the Employee Is Claiming Status As:

Single
Married
Head of Household, claiming 1 exemption
Head of Household, claiming 5 exemptions and each
additional exemption thereafter

Then the Exemption Allowance Should Be:

\$ 1,200 (per allowance)
1,200 (per allowance)
3,500
1,200¹

¹ No exemption is given for the second through fourth allowance claimed

7. Multiply the biweekly Federal income tax withholding (calculated each pay period) by 26 to compute the annual Federal income tax withholding² and subtract this amount from the result of step 6.

² Maximum of \$5,000 for Single/Head of Household and Married (Both Spouses Working)◀
Maximum of \$10,000 for Married (One Spouse Working)◀

8. Apply the taxable income computed in step 7 to the following table to obtain the Missouri tax withholding.

Tax Withholding Table

If the Amount of Taxable Income Is:		The Amount of Missouri Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$ 0	\$ 1,000	\$ 0	plus	1.5%	\$ 0
1,000	2,000	15	plus	2.0%	1,000
2,000	3,000	35	plus	2.5%	2,000
3,000	4,000	60	plus	3.0%	3,000
4,000	5,000	90	plus	3.5%	4,000
5,000	6,000	125	plus	4.0%	5,000
6,000	7,000	165	plus	4.5%	6,000
7,000	8,000	210	plus	5.0%	7,000
8,000	9,000	260	plus	5.5%	8,000
9,000	and over	315	plus	6.0%	9,000

9. Divide the annual Missouri tax withholding by 26 and round to the nearest dollar to obtain the biweekly Missouri tax withholding.